



CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

ORDINANCE _____
BILL **49 (2019)**

A BILL FOR AN ORDINANCE

RELATING TO REAL PROPERTY TAXATION.

BE IT ORDAINED by the People of the City and County of Honolulu:

SECTION 1. The purpose of this ordinance is to modify the City's method of establishing the valuation of real property for real property tax purposes in order to bring tax relief to home-owners.

SECTION 2. Chapter 8, Article 7, Revised Ordinances of Honolulu 1990 ("Valuations"), is amended by adding a new section to be designated by the Revisor of Ordinances and to read as follows:

"Sec. 8-7. Valuation Cap.

Real property granted the home exemption under Section 8-10.4 must be taxed on its assessed value, provided that, on a year-to-year basis, any increase in valuation must not exceed two percent per year, except as provided below:

- (a) If real property is sold or transferred, the valuation for the tax year thereafter must be based on the fair market value of the property; or
- (b) If any improvements are undertaken on the property and such improvements increase the fair market value of the property, the valuation must be increased based on the fair market value of the improvements undertaken, unless:
 - (1) The aggregate cost of the improvements does not exceed _____ percent of the property's current assessed value;
 - (2) The improvements are otherwise excepted from required permitting provisions provided under Section 18-3.1(b); or
 - (3) The property is damaged or destroyed by fire, wave, earthquake, flood, wind, other natural disaster, or accident, whereby any increase in valuation due to repairs or reconstruction does not exceed _____ percent of the last assessed value of the undamaged property."



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SECTION 3. Section 8-7.1, Revised Ordinances of Honolulu 1990 ("Valuation—Considerations in fixing"), is amended by amending subsection (a) to read as follows:

- "(a) ~~[The]~~ Except as provided for in Section 8-7. ~~the~~ director of budget and fiscal services shall cause the fair market value of all taxable real property to be determined and annually assessed by the market data and cost approaches to value using appropriate systematic methods suitable for mass valuation of real property for taxation purposes, so selected and applied to obtain, as far as possible, uniform and equalized assessments throughout the county."

SECTION 4. Ordinance material to be repealed is bracketed and stricken; and new ordinance material is underscored. When revising, compiling, or printing this ordinance for inclusion in the Revised Ordinances of Honolulu, the Revisor of Ordinances need not include the brackets, the material that has been bracketed and stricken, or the underscoring.



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SECTION 5. This ordinance shall take effect upon its approval and shall apply to tax years beginning July 1, 2021 and thereafter.

INTRODUCED BY:

David Fukuoka (BR)

DATE OF INTRODUCTION:

AUG 29 2019

Honolulu, Hawaii

Councilmembers

APPROVED AS TO FORM AND LEGALITY:

Deputy Corporation Counsel

APPROVED this _____ day of _____, 20 _____.

KIRK CALDWELL, Mayor
City and County of Honolulu